



March 7, 2007

H.R. 569 - Water Quality Investment Act of 2007

Floor Situation

H.R. 569 is being considered on the floor under a modified open rule with a requirement that amendments are preprinted. The rule provides for one hour of general debate equally divided and controlled by the Chairman and Ranking Member of the Committee on Transportation and Infrastructure.

The rule for H.R. 569 provides that the amendment in the nature of a substitute recommended by the Committee on Transportation and Infrastructure now printed in the bill shall be considered as an original bill for the purpose of amendment.

The rule for H.R. 569 further provides for one motion to recommit with instructions.

This legislation was introduced by Representative Bill Pascrell (D-NJ) on January 18, 2007, and was reported out of the House Committee on Transportation and Infrastructure by voice vote on February 7, 2007.

H.R. 569 is expected to be considered on the floor on March 7, 2007.

**Note: There were attempts in both the 108th Congress (HR 784) and the 109th Congress (HR 624) to re-authorize Section 221 of the Clean Water Act. While both bills were reported out of the Transportation and Infrastructure Committee, neither was debated on the floor of the House of Representatives.*

Summary

H.R. 569 reauthorizes appropriations for section 221 of the Clean Water Act, which provides grants to municipalities and states to control combined sewer overflows (CSOs) and sanitary sewer overflows (SSOs).

This legislation amends the Clean Water Act (33 U.S.C. 1301) to authorize \$1.80 billion over 5 years, 2008-2012, to be administered by the Environmental Protection Agency (EPA).

H.R. 569 requires that:

- Funds for 2008 to be used for grants to municipalities and municipal entities; and,

- Funds appropriated beyond 2008 shall be used for grants to states. The Administrator of the EPA is required to establish a formula for the distribution of these grants, which is subject to a public comment period.

**Note: In accordance with Title 33 USC 1301, the Administrator of the EPA shall give priority to an applicant that: (1) is a municipality that is a financially distressed community; (2) has implemented or is complying with an implementation schedule for the nine minimum controls specified in the CSO control policy and has begun implementing a long-term municipal combined sewer overflow control plan or a separate sanitary sewer overflow control plan; (3) is requesting a grant for a project that is on a State's intended use plan, or (4) is an Alaska Native Village. Additionally, the Administrator or any state may retain 4% of any grant in order to administer the grant.*

H.R. 569 also permits municipalities and states to implement grants under section 221 in conjunction with a State's Revolving Loan Fund Program.

Background

Combined sewer systems are sewers that are designed to collect wet weather runoff, domestic sewage, and industrial wastewater in the same pipe. Combined sewer systems transport all wastewater to a sewage treatment plant for processing before being discharged into bodies of water. If the capacity of the treatment plant is exceeded, the excess, untreated wastewater is discharged into streams, rivers, and bodies of water, resulting in a combined sewer overflow (CSO). The EPA estimates that approximately 772 cities in the U.S. have combined sewer systems.

Sanitary sewer systems are sewers that are designed to transport only domestic sewage and industrial wastewater to a sewage treatment plant. These systems are not designed to transport wet weather runoff and in cases of severe weather, improperly maintained systems, etc. excess volumes of water can occur resulting in sanitary system overflows (SSOs). The EPA estimates that at least 40,000 SSOs occur every year in the U.S.

According to the Transportation and Infrastructure Committee's Report (Report 110-16), "CSOs and SSOs present significant public health and safety concerns because raw sewage can overflow into the rivers, lakes, streets, parks, basements, and other areas of potential human exposure, adversely impacting public health and the environment."

The EPA estimates the cost to address CSOs to be \$50.6 billion and the cost of addressing SSO's to be \$88.5 billion. States have been using loans from State Revolving Loan Funds (SRFs) in order to address CSOs and the causes of SSOs.

Localities and state and local taxpayers are taking responsibility for the majority of these costs. Through June of 2006, states have made approximately \$5.3 billion in loans for

CSOs from State Revolving Funds (SRFs) and have made approximately \$6 billion in loans to address the infiltration and inflow into sewer pipes that can cause SSOs.

**Note: the SRF was created in 1987 in order to assist states with pollution abatement projects.*

Section 221 was added to the Clean Water Act in the Consolidated Appropriations Act of 2001 (PL 106-554), which was signed into law on December 21, 2000. This legislation amended the Clean Water Act to authorize funding for grants and municipalities to assist in controlling CSOs and SSOs. The authorization was for Fiscal Years 2002 and 2003, but the authorization expired without funds being appropriated.

There were attempts in both the 108th Congress (HR 784) and the 109th Congress (HR 624) to re-authorize Section 221 of the Clean Water Act. While both bills were passed out of the Transportation and Infrastructure Committee, neither was debated on the floor of the House of Representatives.

Summaries of Amendments Preprinted in the Congressional Record

These amendments may be offered on the Floor during debate on H.R. 569

Please contact the offices of amendment sponsors for additional information or the text of an amendment.

**Note: [GOP.gov](http://www.gop.gov) will post updates as amendments are offered on the floor during consideration of H.R. 569.*

(#1) Rep. Tom Price (R-GA) The amendment applies PAYGO to the legislation by requiring all spending in the bill is offset with decreases in spending.

(#2) Rep. Dana Rohrabacher (R-CA) The Amendment establishes a prerequisite for grant eligibility of the recipient State or municipality's willingness to "impose conditions requiring that all persons including contractors and subcontractors carrying out activities" using grant funds participate in the employment eligibility verification pilot program described in section 403(a) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996.

(#3) Rep. Steve King (R-IA) The Amendment reduces the authorization levels by 5% for each year of funding 2008-2012.

Cost

CBO estimates that implementing this legislation would cost about \$1.45 billion over the next five years and an additional \$0.35 billion after 2012, assuming appropriation of the authorized amounts. Enacting this bill would not affect direct spending or receipts.

The estimated budgetary impact of H.R. 569 is shown in the following table:

	By Fiscal Year, in Millions of Dollars				
	2008	2009	2010	2011	2012
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Authorization Level	250	300	350	400	500
Estimated Outlays	125	225	300	360	440

(Source: CBO)

Views

President Bush issued a Statement of Administration Policy on March 6, 2007 strongly opposing H.R. 569. The President cited the total of \$1.8 billion authorized by this bill as unrealistic in the current fiscal environment. The President suggested that states are already eligible to receive funds from the Clean Water State Revolving Fund, and that passing this bill threatens to create a market distortion that could discourage utilities and their consumers from moving towards full-cost pricing.

For further information on the Statement of Administration Policy on H.R. 569 please find the full text at the link below:

<http://www.whitehouse.gov/omb/legislative/sap/110-1/hr569sap-r.pdf>

Staff Contact

For questions or further information contact Matt Lakin at (202) 226-2302.